GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA

UNSTARRED QUESTION NO:3582
ANSWERED ON:16.08.2001
APM OF GAS
VSM (RETD.) COL. CHOUDHARY

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether the administrated price mechanism of gas is likely to be discontinued by March 31, 2002 and the gas price thereafter would be Rs.2500 per thousand SCM at 4100 kcal;

(b) if so, whether price of gas 10000 Kcal would be equal to Rs.6,098/- per thousand SCM without discount;

(c) the net price of gas based on Rs.2500 per SCM (at 4100 Kcal) works out to Rs.3057.38 per thousand SCM including transportation charges of Rs.557.38 per thousand SCM;

(d) if so, whether it is a fact that net price of gas would be much higher than the present average price of Rs.1783 per thousand SCM (including Rs.510.08 for transportation);

(e) if so, whether the Government is considering to review the gas price formula and to fix the gas price and transportation charges at a reasonable level for use of natural gas resources in Rajasthan; and

(f) if not, the reasons therefor?

Answer

MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI SANTOSH KUMAR GANGWAR)

(a) to (f) With effect from October 01, 1997, the consumer price of natural gas at land fall points was linked to the International price of a basket of fuel oils with the linkage increases in the first three years from 55% in 1997-98 to 65% in 1998-99 and 75% in 1999-2000 in respect of consumers other than in the North Eastern States.The natural gas pricing regime was required to be reviewed with a view to achieving 100% parity to fuel oil International prices by the year 2001-02. The revision of natural gas price upto March 31, 2002 is under active consideration of the Government. With effect from April 01, 2002, the natural gas prices will not be fixed by the Government.